

Kay-Ben Farm – Benson Farm Earth Products
Eddie and Becki Benson
64 Plummer Rd
Gorham, ME 04038

Farm Description:

The Kay-Ben Farm has been owned and operated by the Benson family for three generations. Located in Gorham, the farm is home to 150 head of Holstein dairy cows. This purebred registered herd is made up of animals that rank among the top in the country for milk production. In 1995, the Benson's started a compost business to offset the rising cost of dairy farming. Owned by Eddie Benson, Benson Farm Earth Products is a business that recycles seafood residuals from Portland's waterfront with cow manure from the farm. The product is a soil enhancer that is primarily sold wholesale to local greenhouses.

Farm Mission/Goals:

After ten years of production, the Bensons were looking to increase their market share. At that point, they were only reaching ten percent of the demand with bulk sales. They wanted to expand their facility and create a marketing plan that would outline the ways in which they could expand to reach the retail market.

Phase One: Exploring the Goals

Eddie and Becki applied to Phase One in 2004 with several goals already in mind. To efficiently produce more compost, they wanted to construct a building for their finished product. This would keep it from mixing with rocks, dirt and weed seeds, while also blocking it from the rain. The building would also provide shelter for a bagging machine that they wanted to purchase in order to meet the growing retail demand.

At that point in the marketplace, one yard of compost sold for \$15 and compost that was sold in 40lb bags at six dollars per bag increased to value to nearly \$120 per yard. This price increase, coupled with a steadily increasing demand, was projected to generate double the income of the prior year.

The Bensons also saw that the need to expand their marketing plan. With a changed target market, they would need to find a new means for attracting customers. They wanted to create a logo and design for the bags, create a brochure and purchase promotional materials like magnets and pens to hand out at trade shows. They wanted to interview a wide range of new retail customers, including nurseries, home & garden shops, and landscapers. They attended a compost summit in March, 2005 to learn more about making and marketing compost.

Phase Two: Implementing Change

The Benson's received a \$25,000 Farms for the Future grant and a \$15,000 FSMIP grant in 2005. Shortly thereafter, several incidents lead to their decision to refocus on their wholesale accounts.

The loader used for mixing the compost piles broke down in the early spring of 2005. Increased production would be impossible without a new loader, so Eddie and Becki would need to delay construction in order to replace it. Also, a dump truck accident left them with only one truck to make deliveries. They would need to either replace it or fix it in order to meet the growing the demand for their product. Finally, with the loss of three employees, the Bensons knew that their labor force was not strong enough to sustain the expansion that they had planned.

Eddie and Becki also discovered that the bagged market was nearly saturated. Their current wholesale accounts were local greenhouses that sold most of their compost in bags. Being one of the only wholesalers with a bulk product, Eddie and Becki realized that they were reaching a niche market and had little competition. They chose not to purchase the bagger. To offset the loss in bagged compost sales, they decided to increase their price from \$15 to \$20 per yard and added a delivery fee based on customer location and the amount purchased.

Matching their \$25,000 Farms for the Future grant with \$75,000, they purchased a new loader that will carry over two times as much product as the old one. This will make the production process much more efficient. Piles of compost can be mixed twice as fast now. Also, the loader is large enough to make the piles taller. This will decrease the amount of surface material, meaning that the piles will be able to shed excess water faster after a rain or snow shower. They refurbished the dump truck, and bought a third truck to make it possible for three deliveries to run at once. Finally, they constructed a temporary sawdust storage building. This building will be used in the future to house finished compost and a bagger. Their \$15,000 FSMIP grant paid for the labor that went into the research and development of both the retail and wholesale marketing plans. They completed this along with their business plan, and designed a website and logo.

Reaping the Benefits:

The business and marketing planning helped better prepare the Bensons to increase their sales. As a result, they doubled their wholesale accounts to 30. By purchasing a third dump truck and building the shelter, Benson Farm Earth Products is now well equipped to sustain more production in the future.